

## **AGENDA**

Regular Meeting of the Governing Body of the  
Alameda Reuse and Redevelopment Authority

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Alameda City Hall  
Council Chamber, Room 390  
2263 Santa Clara Avenue  
Alameda, CA 94501

Wednesday, December 2, 2009  
Meeting will begin at 7:00 p.m.

### **1. ROLL CALL**

### **2. CONSENT CALENDAR**

Consent Calendar items are considered routine and will be enacted, approved or adopted by one motion unless a request for removal for discussion or explanation is received from the Board or a member of the public.
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2-A. Approve the minutes of the Regular Meeting of November 4, 2009.

2-B Authorize the Executive Director to Execute an Amendment to an Agreement with Russell Resources for Environmental Consulting Services for Alameda Point Extending the Term for 12 Months and Adding \$124,900 to the Budget.

### **3. REGULAR AGENDA ITEMS**

None.

### **4. ORAL REPORTS**

4-A. Oral report from Member Matarrese, Restoration Advisory Board (RAB) representative  
- Highlights of November 5 Alameda Point RAB Meeting.

### **5. ORAL COMMUNICATIONS, NON-AGENDA (PUBLIC COMMENT)**

(Any person may address the governing body in regard to any matter over which the governing body has jurisdiction that is not on the agenda.)

### **6. COMMUNICATIONS FROM THE GOVERNING BODY**

### **7. ADJOURNMENT**

**This meeting will be cablecast live on channel 15.**

Notes:

- Sign language interpreters will be available on request. Please contact the ARRA Secretary at 747-4800 at least 72 hours before the meeting to request an interpreter.
- Accessible seating for persons with disabilities (including those using wheelchairs) is available.
- Minutes of the meeting are available in enlarged print.
- Audio tapes of the meeting are available for review at the ARRA offices upon request.



## CITY OF ALAMEDA • CALIFORNIA

SPECIAL JOINT MEETING OF THE CITY COUNCIL,  
ALAMEDA REUSE AND REDEVELOPMENT AUTHORITY (ARRA)  
AND COMMUNITY IMPROVEMENT COMMISSION (CIC)  
WEDNESDAY - - - DECEMBER 2, 2009 - - - 7:01 P.M.

Location: City Council Chambers, City Hall, corner of Santa Clara  
Avenue and Oak Street

### Public Participation

Anyone wishing to address the Council/Board/Commission on agenda items or business introduced by the Council/Board/Commission may speak for a maximum of 3 minutes per agenda item when the subject is before the Council/Board/Commission. Please file a speaker's slip if you wish to speak on an agenda item

1. ROLL CALL - City Council, ARRA, CIC
2. MINUTES
  - 2-A. Minutes of the Special Joint City Council and CIC Meeting held on November 17, 2009. **[City Council, CIC]** (City Clerk)
3. REGULAR AGENDA ITEMS
  - 3-A. Update on Alameda Landing **[CIC]**
4. COUNCIL REFERRAL
  - 4-A. Discussion of Policies for Leases at the ARRA and Tidelands Leases under the City's Jurisdiction. **[City Council, ARRA, CIC]** (Councilmember/Board Member/Commissioner Matarrese)
5. ADJOURNMENT - City Council, ARRA, CIC

  
\_\_\_\_\_  
Beverly Johnson, Mayor  
Chair, ARRA and CIC

**UNAPPROVED  
MINUTES OF THE REGULAR MEETING OF THE  
ALAMEDA REUSE AND REDEVELOPMENT AUTHORITY  
Wednesday, November 4, 2009**

The meeting convened at 7:03 p.m. with Chair Johnson presiding.

2-A

**1. ROLL CALL**

Present: Chair Beverly Johnson  
Boardmember Lena Tam  
Boardmember Frank Matarrese  
Boardmember Marie Gilmore  
Vice Chair Doug deHaan

**2. CONSENT CALENDAR**

2-A. Approve the minutes of the Regular Meeting of October 7, 2009.

The Consent Calendar was motioned for approval by Member Tam, seconded by Vice Chair deHaan and passed by the following voice votes: Ayes: 5, Noes: 0, Abstentions: 0

**3. REGULAR AGENDA ITEMS**

None.

**4. ORAL REPORTS**

4-A. Oral report from Member Matarrese, Restoration Advisory Board (RAB) representative - Highlights of October 1 Alameda Point RAB Meeting.

Member Matarrese did not attend the Oct. 1 meeting, but received a comprehensive listing (*Alameda Point Site/Area Description*) of Alameda Point IR Sites by name, by number, historic use, current contamination status and future reuse. He asked that this list be distributed to other boardmembers. The next RAB meeting is tomorrow, 11/5.

**5. ORAL COMMUNICATIONS, NON-AGENDA (PUBLIC COMMENT)**

There were no speakers.

**6. COMMUNICATIONS FROM THE GOVERNING BODY**

None.

**7. ADJOURNMENT**

Meeting was adjourned at 7:05 p.m. by Chair Johnson.

Respectfully submitted,



Irma Glidden  
ARRA Secretary

**Alameda Reuse and Redevelopment Authority**  
Memorandum

2-B

To: Honorable Chair and  
Members of the Alameda Reuse and Redevelopment Authority

From: Ann Marie Gallant  
Interim Executive Director

Date: December 2, 2009

Re: Authorize the Executive Director to Execute an Amendment to an Agreement with Russell Resources for Environmental Consulting Services for Alameda Point Extending the Term for 12 Months and Adding \$124,900 to the Budget

**BACKGROUND**

For the past nine years, Russell Resources has provided the environmental consulting services of reviewing, analyzing, and preparing comments on Navy environmental documents for the remediation of the Alameda Naval Air Station (Alameda Point) on behalf of the Alameda Reuse and Redevelopment Authority (ARRA). In addition, Russell Resources attends and represents the ARRA at meetings with State and Federal environmental regulators and the Navy and provides professional expertise to ARRA staff to allow full participation in the remediation decisions made by the Navy. Russell Resources also assists the ARRA in discussions with SCC Alameda Point, LLC (SunCal), the selected master developer for Alameda Point, on issues related to conveyance and environmental remediation. Russell Resources' contract was approved on January 2, 2008 for \$117,500 and amended on November 18, 2008 for an additional \$147,500. This second amendment extends the term of the agreement for 12 months and adds \$124,900 to the budget for a total contract amount of \$389,900. The original contract and amendments are on file with the City Clerk.

**DISCUSSION**

In 2004, a limited Request for Proposals was issued for environmental consulting services at Alameda Point to determine if an additional environmental firm should be retained to augment Russell Resources, or if a new firm should be retained to replace Russell Resources. Three firms were interviewed as part of that process. An evaluation team met with Levine Fricke, Environmental Resources Management West, and CH2M Hill. Following those interviews and a review of the proposals received, the evaluation team determined that no additional services were necessary and that the ARRA should continue to engage Russell Resources.

In addition, as part of evaluating environmental services for 2007, staff conducted an informal solicitation from two environmental consulting firms, Erler & Kalinowski and GeoMatrix, to determine if Russell Resources' expertise and cost were comparable to that of other firms. Given Russell Resources' familiarity with Alameda Point, long-

standing relationships with the Navy personnel and environmental regulators assigned to Alameda Point, and competitive billing rate, the ARRA Board approved an agreement to retain Russell Resources.

Also, Russell Resources' billing rates and expertise were comparable to all firms interviewed. Russell Resources has the additional advantage of familiarity with Alameda Point's environmental challenges. This knowledge is an important asset to SunCal and its environmental consultant who are working to gain knowledge on very complex environmental issues. It is important that ARRA's consultant have full knowledge and history of issues at Alameda Point to interact effectively with the Navy, Restoration Advisory Board, and environmental regulators, SunCal, and the ARRA Board and staff on key environmental concerns.

It is recommended that the Russell Resources contract be amended to extend the term for 12 months, adding \$124,900 to the budget for a total of \$389,900. The amended agreement would expire on December 31, 2010. The proposed amendment provides that, over the next 12 months, Russell Resources will support discussions with the Navy related to the conveyance of Alameda Point and will provide technical support to staff regarding current and future environmental remediation. In addition, Russell Resources will continue to attend all Base Closure Team and RAB meetings, attend meetings in furtherance of conveyance between and among ARRA, the Navy, and SunCal Companies, and attend other technical meetings that may be necessary to support conveyance of Alameda Point. Russell Resources will also review, and prepare draft comments on, technical environmental documents published by the Navy, along with reports and work plans, in support of the successful transfer and redevelopment of Alameda Point. Finally, Russell Resources will prepare a summary/analysis of actions taken at monthly RAB meetings for the ARRA's review and information.

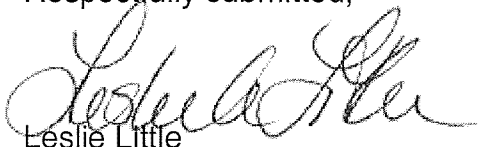
#### FINANCIAL IMPACT

Funds for Alameda Point environmental services are provided as part of the cost recovery provisions included in the Exclusive Negotiation Agreement with SunCal. Approval of this agreement does not impact the City's General Fund.

#### RECOMMENDATION

Authorize the Executive Director to execute an amendment to the agreement with Russell Resources for environmental consulting services for Alameda Point extending the term for 12 months and adding \$124,900 to the budget.

Respectfully submitted,



Leslie Little

Economic Development Director

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## Alameda Point RAB Meeting on November 5, 2009 Highlights and Analysis

RAB members present: Dale Smith (Community Co-chair), Fred Hoffman, George Humphreys, Jeff Knoth, Joan Konrad, Jim Leach, Jean Sweeney, Jim Sweeney, and Michael John Torrey; Marsha Pendergrass facilitated the meeting, but did not act as chair.

Mr. Derek Robinson has been formally appointed the Navy's Base Environmental Coordinator (BEC) for Alameda Point and is now the Navy Co-Chair of the Alameda Point RAB. The Navy has yet to select a successor for Mr. Robinson former position of Navy Lead Remediation Project Manager (RPM) for Alameda Point.

Remediation and other field work in progress:

- The Navy is continuing to remove and replace radioactively contaminated storm drain lines arising at Buildings 5 and 400 and discharging into the Seaplane Lagoon. This work must be completed before cleanup of contaminated sediment in the Seaplane Lagoon begins. Cleanup of Seaplane Lagoon sediment is scheduled to begin in March 2010.
- The debris pile removal along the northern bulkhead of the Seaplane Lagoon is nearing completion. On December 9, a Navy diver is to investigate the large concrete block that is submerged near the northern bulkhead of the Seaplane Lagoon.
- Subsurface groundwater treatment is underway at IR Sites 14 and 27, along the Oakland Inner Harbor in Northwest Territories and just north of Pier 1, respectively.
- The air sparge/vapor extraction system to treat groundwater contaminated with benzene and naphthalene at Alameda Point OU-5 and FISCA IR Site 2 is operating.
- Petroleum-contaminated groundwater treatment operations near the Atlantic Avenue entrance and near the south end of the Western Hangar Zone are continuing.
- Contaminated soil associated with the former incinerator that was located where Building 459 is now (the Navy Exchange Service Station at the corner of Main Street and West Tower Avenue) is being excavated for off-site disposal. The southern wing of Building 459 has been removed for access.
- An in-situ treatability study for groundwater contamination associated with the oil-water separator outside Building 163, which is on Orion Street, south of Atlantic Avenue, is in progress.

IR Site 1 (1943-1956 Disposal Area)

AMEC, the Navy's contractor for remediation of IR Site 1, the former landfill at the northwest corner of Alameda Point, delivered a presentation about the field investigation it plans to conduct in support of its remedial design effort. The primary tasks are:

- (a) trenching and boring into Area 1a, the main disposal area, to better define the boundaries of the area and to gather geotechnical data;

- (b) trenching and boring into Area 1b, the burn area, to better estimate the amount of waste that is to be excavated and disposed offsite, and to gather analytical data for selection of the recipient disposal facility;
- (c) in-situ investigation of the groundwater plume source area using two different types of probes to identify the area(s) having the highest contamination and to better characterize the nature of the contamination; and
- (d) boring into the beach area to identify areas from which contaminated soil is to be excavated before the beach is covered with riprap.

Many RAB members expressed considerable interest in the remediation of IR Site 1 and asked in-depth questions about this investigation.

#### IR Site 27 (Dock Zone)

As promised at the October RAB meeting, the Navy presented an update on its groundwater remediation activities at IR Site 27. The treatment process is in-situ chemical oxidation (ISCO), a method that has been used successfully at other Alameda Point sites. Briefly, ISCO works as follows:

- (a) shallow groundwater is pumped from a network of wells in the plume of contamination;
- (b) the extracted groundwater is mixed in aboveground tanks with chemicals (oxidants) that destroy the contaminants;
- (c) the extracted groundwater, with an excess oxidant, is pumped back into the plume of contaminated groundwater through another network of wells that is interspersed with the extraction wells;
- (d) the chemical oxidants thusly injected into the plume continue to destroy groundwater contaminants underground (in situ).

The Navy plans to treat the entire IR Site 27 plume in this way.

#### Building 5 Reuse Feasibility Study

Ms. Anna-Marie Cook, the US EPA project manager for Alameda Point, reported on the progress of work under an EPA Headquarters grant to study the feasibility of reusing Building 5. The effort is to study several scenarios, such as, building renovation, building replacement, complete demolition, and demolition of the building with preservation of its concrete slab. The grant is related to EPA's "Green Remediation" initiatives.



**UNAPPROVED**  
MINUTES OF THE SPECIAL JOINT CITY COUNCIL AND  
COMMUNITY IMPROVEMENT COMMISSION (CIC) MEETING  
TUESDAY- -NOVEMBER 17, 2009- -7:31 P.M.

Mayor/Chair Johnson convened the Joint Meeting at 12:27 a.m.

ROLL CALL - Present: Councilmembers / Commissioner deHaan,  
Gilmore, Matarrese, Tam and Mayor/Chair  
Johnson - 5.

Absent: None.

MINUTES

(09- CC/09- CIC) Minutes of the Special Joint City Council and  
CIC Meeting held on November 3, 2009 and the Special CIC Meeting  
held on November 4, 2009.

Vice Mayor/Commissioner deHaan moved approval of the minutes.

Councilmember/Commissioner Gilmore seconded the motion, which  
carried by unanimous voice vote - 5.

REGULAR AGENDA ITEM

(09- CC) Public Hearing to Consider Introduction of Ordinance  
Amending Municipal Code by Adding Subsection 30-17 (Density Bonus  
Regulations) to Article I (Zoning Districts and Regulations) of  
Chapter XXX (Development Regulations) to Allow Density Bonus Units  
and Incentives or Concessions to Developers that Voluntarily  
Provide for Affordable Housing Units as an Element of Their  
Residential Development Project. Amended and introduced; and

(09- CIC) Resolution No. 09-163, "Amending Resolution No. 04-127  
to Reduce the Inclusionary Unit Requirement Policy for Residential  
Developments in the Business and Waterfront and West End Community  
Improvement Project Areas from at Least 25% to at Least 15%."  
Adopted.

The Planning Services Manager gave a brief presentation.

Councilmember/Commissioner Tam inquired whether reducing the  
inclusionary unit requirement from 25% to 15% would provide longer  
term housing.

The Planning Services Manager responded the reduction would not  
provide longer term housing but would make the inclusionary housing  
requirement within the City consistent; stated applying the 25%

inclusionary requirement would automatically entitle applicants to the density bonus requirements plus concessions, incentives, and waivers; staff did not want density bonus concessions and waivers to be automatically triggered; by rolling the percentage back to 15%, the applicant would have to make more affordable units within the development.

In response to Councilmember/Commissioner Tam's inquiry, the Supervising Planner responded any inclusionary housing units count towards the density bonus units; staff does not want to create a situation where someone would automatically be entitled to a density bonus plus concessions and waivers.

Mayor/Chair Johnson stated that she likes the idea of caps; perhaps the Planning Board should be requested to look at particular items.

Vice Mayor/Commissioner deHaan stated one item would be open space; visuals should be provided in order to show what projects would actually entail.

The Planning Services Manager stated visuals could be provided.

Mayor/Chair Johnson opened the public portion of the hearing.

Proponents (In favor of ordinance): Robb Ratto, Park Street Business Association (PSBA); Christopher Buckley, Alameda Architectural Preservation Society; Jamie Keating, Trailhead Ventures, LLC.

There being no further speakers, Mayor/Chair Johnson closed the public portion of the hearing.

Councilmember/Commissioner Matarrese stated that he would like to send the ordinance back [to the Planning Board]; the two most important points are: 1) separating pure residential from other projects; 2) setback and height caps cannot be arbitrary or non-technical; Fire Department pictures show the hazard that could be used as the rationale for setting a cap; if the ordinance is sent back to the Planning Board, it should be time critical so that the process can be finished.

The Planning Services Manager stated the ordinance would return to the Council no later than the first meeting in February; the desire seems to be to apply caps and limits on concessions and incentives to residential properties and not mixed used commercial properties; questioned whether the Council/Commission would move forward on an ordinance tonight with language added to Section 30-17.9 that

states: "for commercially zoned or mixed use properties;" stated the Planning Board would review residential properties and staff would come back with an amendment to the density bonus regulations.

Councilmember/Commissioner Tam stated the northern waterfront project included height limits; inquired how height limits would be reconciled if the density bonus ordinance includes height limits.

The Planning Services Manager responded specific plan or planned development amendments would be required for modifications to projects with adopted regulations for specific sites.

Mayor/Chair Johnson stated requirements for fire access should be reviewed if backyards are developed; that she is not sure if a fire truck could access the backyard of the monster house on Briggs Avenue.

The Interim City Manager/Executive Director stated staff has some thoughts regarding the issue.

Councilmember/Commissioner Gilmore inquired whether any new buildings are required to have sprinklers, to which the Planning Services Manager responded in the affirmative.

Councilmember/Commissioner Matarrese stated residential caps should be technical, not arbitrary.

Councilmember/Commissioner Tam moved introduction of the ordinance with the suggested modification on page 13.

Councilmember/Commissioner Gilmore seconded the motion.

Under discussion, Mayor/Chair Johnson clarified that the residential portion would go back to the Planning Board.

On the call for the question, the motion carried by unanimous voice vote - 5.

#### ADJOURNMENT

There being no further business, Mayor/Chair Johnson adjourned the Joint Meeting at 12:50 a.m.

Respectfully submitted,

Lara Weisiger, City Clerk  
Secretary, CIC

The agenda for this meeting was posted in accordance with the Brown Act.

## **CITY OF ALAMEDA**

### **Memorandum**

To: Honorable Chair and  
Members of the Community Improvement Commission

Honorable Chair and  
Members of the Alameda Reuse and Redevelopment Authority

From: Ann Marie Gallant  
Interim City Manager/Executive Director

Date: December 2, 2009

Re: Update on Alameda Landing

### **BACKGROUND**

On December 4, 2006, the City Council and Community Improvement Commission (CIC) approved a Disposition and Development Agreement (DDA) with Palmtree Acquisition Corporation (PAC) for redevelopment of a portion of the former Fleet Industrial Supply Center (FISC). The project, called Alameda Landing, includes a maximum of 400,000 square feet of office uses; 300,000 square feet of retail development; 300 residential units; parks and open space, including a public waterfront park.

The DDA was amended in December 2007 to provide a re-designed waterfront promenade. Revisions to the waterfront park were necessary due to the condition of the existing wharf and the cost to seismically retrofit and stabilize the piers.

On June 3, 2008, a Second Amendment to the DDA was approved to provide for reimbursement of expenses associated with the early expenditure of funds for acquisition of the Stargell and Union Pacific (UP) rights-of-way as well as certain Stargell construction activities; modifications to project phasing in order to permit an early office phase to secure Clif Bar as a tenant; and extended timelines for certain required activities.

Staff provided its last update to the Community Improvement Commission on this project in March 2009. The CIC has requested a second update at the December 2, 2009 joint CIC/Alameda Reuse and Redevelopment Authority (ARRA) meeting.

### **DISCUSSION**

The requested update of the project included conformance with timelines or milestones in the DDA; the status of Stargell Avenue Extension Project; construction budget and improvements; the planned reimbursement of match dollars required for Stargell

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Avenue State Transportation Improvement Fund (STIP) program; the status of the FISC hospital clean-up, including proposed reimbursement/cost recovery; and, a marketing/lease report.

#### DDA Conformance – Timelines/Milestones

On August 5, 2008, PAC funded a four-way transaction to acquire the necessary rights of way for the Stargell Avenue Extension Project between PAC, the City, the CIC, and the Peralta Community College District. To facilitate this transaction, the CIC approved the Second Amendment to the DDA. The Second Amendment acknowledged that the acquisition of the Stargell and UP rights-of-way, and construction of the Stargell Avenue Extension Project, are early expenditures of funds. The Second Amendment allowed PAC to be reimbursed for certain Stargell expenditures in the event PAC did not proceed with the Alameda Landing project, or did not go forward after completing certain components of the project. PAC requested time extensions for certain performance milestones as additional consideration for its agreement to make an early expenditure of nearly \$8 million in funds to secure the Stargell right-of-way.

Time extensions granted were as follows:

- A three-year time extension to commence activity on an Alternative First Phase. The existing deadline was December 2009. The new deadline is December 2012.
- A two-year time extension to commence construction on the retail development north of Mitchell, and a one-year time extension to complete construction. The prior requirement was commencement of construction within 12 months of conveyance and complete construction within 60 months of conveyance. The new requirement allowed 36 months to commence construction following conveyance and 72 months to complete construction following conveyance.

PAC requested these changes because a successful waterfront retail project is dependent upon a strong retail development south of Mitchell, and therefore, requires additional time to construct and establish the retail south of Mitchell, in order to maximize success and increase tenant quality at the waterfront.

As a result, the following milestones were adjusted:

- A one-year extension to satisfy conditions precedent to the First Phase Demolition and Backbone Infrastructure. The prior deadline was December 2013. The revised deadline is December 2014.

Honorable Chair and  
Members of the Alameda Reuse and Redevelopment Authority

- A one-year extension to satisfy conditions precedent to the Second Demolition and Backbone Infrastructure Phase. The prior deadline was December 2016. The revised deadline is December 2017.
- A one-year time extension to the outside date in order to acquire the office parcels and commence Third Demolition and Backbone Infrastructure Phase activity. The prior deadline was December 2016. The revised deadline is December 2017.

With uncertainties in the market in 2008, these timelines not only recognized the \$8 million early expenditure of funds, but also mirrored trends in financing and the condition of the economy. Since the DDA deadlines for conveyance and construction are tied to satisfaction of the Demolition and Backbone Infrastructure conditions precedent, conveyance and construction deadlines were extended by one year as well. (A summary of these milestones is attached as Exhibit A to this report.) Pursuant to the DDA, PAC had an obligation to make a good faith effort to acquire the necessary right-of-way and construct the Stargell Avenue Extension Project as a condition precedent to commencing the second phase of the Alameda Landing project. Under the DDA, PAC had until 2013 to determine the feasibility of the Stargell Avenue Extension Project. While PAC worked diligently to obtain the exchange of property necessary to acquire the Stargell right-of-way to permit the construction of the Stargell Avenue Extension Project, the DDA does not obligate PAC to purchase the right-of-way or construct the Stargell Avenue Extension Project until the second phase of the Alameda Landing Project in 2017.

Therefore, while the \$8 million dollar acquisition by PAC of the exchange parcel paved the way for the construction of Stargell Avenue, PAC was not obligated to construct the Stargell Avenue Extension Project until 2017. The long-term funding strategy for Stargell Avenue included a grant of \$4 million in STIP funds from the State of California. To preserve these funds PAC and/or the CIC was required to provide a local match by late 2008. PAC was unable to provide the match to the STIP grant due to economic adjustments in the industry and timing of the match without benefit of development. As a result, the CIC borrowed the "match" from the City's sewer fund, and is scheduled to repay the loan in five equal installments beginning in FY09-10.

The Stargell "match" is a Project Expenditure to be reimbursed by PAC pursuant to the DDA, reimbursed on a pro-rata acreage basis.

#### Stargell Avenue Construction Status

The Stargell Avenue Extension Project will provide four lanes for vehicle traffic as well as bicycle lanes from Webster Street to Fifth Street. The project will modify the Webster Street Tube exit as it transitions to the new Stargell Avenue intersection, provide for

Honorable Chair and  
Members of the Alameda Reuse and Redevelopment Authority

installation of signals, sidewalks, landscaping, irrigation, lighting, and a “queue jump lane” for Oakland-bound buses on Webster Street.

Construction started in May 2009 and is approximately 45% complete. The project is anticipated to be completed in April 2010. As of October 30, 2009, the construction cost expended to date is \$2,687,495, which is 40% of the construction budget of \$6,923,869. An additional \$300,000 has been expended on “soft” costs. The project is currently within budget and on schedule.

The major improvements constructed to date include: street widening, curb and gutter; storm drain pipes and inlets; utilities; and the street pavement section, less the final lift of asphalt pavement. The contractor is currently constructing the northbound queue jump lane and the associated sidewalk, curb and gutter, and street lighting on the east side of Webster Street.

Further improvements include: installation of sidewalks, street lights, traffic signals, signing, and striping; the final lift of asphalt pavement; reconstruction of the intersection of Mariner Square Loop and Stargell Avenue; and modification to the center island of Webster Street. The temporary closure of Stargell Avenue is expected through mid-December.

Plans and specifications for the landscaping improvements along Stargell Avenue, Webster Street and a portion of Neptune Park are currently being completed by Public Works staff with construction to begin in 2010. Until that time, portions of Neptune Park that have been disturbed as a result of construction will be hydro-seeded to control erosion and to maintain a green entry into the city.

#### FISC Fire Clean-up and Demolition

Clean-up and disposal of debris from the fire that destroyed the former FISC hospital is nearing completion. Shoring and abatement work began in mid-October. That work continues now with the abatement portion almost complete. Removal of all hazardous materials was scheduled for completion during the week of Thanksgiving. Subsequently, the structures will be demolished and the concrete disposed of at an approved disposal site. Full removal is anticipated by mid-December. Because PAC has not taken possession of any of the FISC property, funding for clean-up of the fire, security, and environmental monitoring was paid for from the following sources:

• FISC Lease Revenue	\$450,000
• CDBG	97,000
• ARRA Loan to CIC	<u>1,600,000</u>
Total:	\$2,147,000



Honorable Chair and  
Members of the Alameda Reuse and Redevelopment Authority

Pursuant to the DDA, the CIC may elect to demolish the former FISC hospital, and when PAC commences the first phase of the Alameda Landing project, PAC is required to reimburse the CIC for the cost incurred by the CIC in connection with the hospital demolition work. If market conditions do not change significantly, it is expected that repayment may need to be structured consistent with phasing activity.

#### Marketing and Leasing

PAC had been working for many months to attract Clif Bar to build its corporate headquarters in one of the rehabilitated warehouses along the waterfront in Alameda Landing's planned commercial area. Negotiations with Clif Bar terminated during the fall of 2008. Since that time, PAC has shifted focus from securing an anchor for the office portion of Alameda Landing to securing a top-tier national retailer for the retail portion of the project.

On September 30, 2009, PAC signed a Letter of Intent (LOI) with Target for the sale of approximately ten acres, on which Target intends to build a prototypical 139,000-square-foot store. The LOI carries a variety of requirements and milestones for PAC and is the beginning of an intricate development process. In addition to Target, the developer has commenced negotiations with a second national tenant to co-anchor the retail portion of the project.

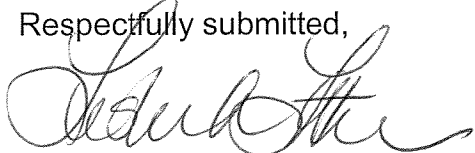
#### FINANCIAL IMPACT

There is no financial impact.

#### RECOMMENDATION

This report is submitted for information only. No action is required.

Respectfully submitted,



Leslie A. Little  
Economic Development Director

LAL:rv

Attachment:  
Exhibit A. Summary of Milestones

# EXHIBIT A

## Outside Dates for Performance Milestones<sup>1</sup>

	Existing DDA	Proposed 2 <sup>nd</sup> Amendment	Proposed 2 <sup>nd</sup> Amendment Tolling <sup>2</sup>
<b>Alternative First Phase</b>			
• Demo & Backbone Conditions Precedent	3 years (12/09)	6 years (12/12)	20 yrs (12/26)
• Conveyance	7 years (12/13)	10 years (12/16)	25 yrs (12/31)
<b>First Demolition and Backbone Infrastructure Phase</b>			
• Demo & Backbone Conditions Precedent	7 years (12/13)	8 years (12/14)	20 yrs (12/26)
• Conveyance			
- Residential (CP* 1, 10, 11)	13 ½ yrs (6/20)	14 ½ yrs (6/21)	25 yrs (12/31)
- Retail (CP 15)	12 ½ yrs (6/19)	13 ½ yrs (6/20)	
- Office	10 yrs (12/16)	n/a	
• Commence Construction			
- Residential	15 ½ yrs (6/22)	16 ½ yrs (6/23)	25 yrs (12/31)
- Retail	13 ½ yrs (6/20)	14 ½ yrs (6/21)	
- Office	12 yrs (12/18)	n/a	
• Complete Construction			
- Residential	18 ½ yrs (6/25)	19 ½ yrs (6/26)	25 yrs (12/31) <sup>4</sup>
- Retail	17 ½ yrs (6/24)	18 ½ yrs (6/25)	
- Office	15 yrs (12/21) <sup>3</sup>	n/a	
<b>Second Demolition and Backbone Infrastructure Phase</b>			
• Demo & Backbone Conditions Precedent	10 years (12/16)	11 years (12/17)	20 yrs (12/26)
• Conveyance			
- Residential	14 ½ yrs (6/21)	15 ½ yrs (6/22)	25 yrs (12/31)
CP 12	15 ½ yrs (6/22)	16 ½ yrs (6/23)	
CP 13	13 ½ years (6/20)	14 ½ yrs (6/21)	
- Retail (CP 2, 14)			

\* CP = Conveyance Parcel (see Exhibit A)

<sup>1</sup> All dates from Effective Date of DDA – Dec. 2006

<sup>2</sup> Tolling occurs only if Conditions Precedent are not satisfied by applicable outside date and CIC does not elect to reimburse Developer for applicable Stargell Work Costs and UP ROW Acquisition Costs

<sup>3</sup> three one-year market extensions

<sup>4</sup> or five years after commencement of Demolition and Backbone Infrastructure if demolition starts after 12/26

	Existing DDA	Proposed 2 <sup>nd</sup> Amendment	Proposed 2 <sup>nd</sup> Amendment Tolling <sup>2</sup>
<ul style="list-style-type: none"> <li>Commence Construction <ul style="list-style-type: none"> <li>- Residential <ul style="list-style-type: none"> <li>CP 12</li> <li>CP 13</li> </ul> </li> <li>- Retail <ul style="list-style-type: none"> <li>CP 2</li> <li>CP 14</li> </ul> </li> </ul> </li> </ul>	16 ½ yrs (6/23) 17 ½ yrs (6/24)  14 ½ years (6/21) 14 ½ years (6/21)	17 ½ yrs (6/24) 18 ½ yrs (6/25)  17 ½ yrs (6/24) 15 ½ yrs (6/22)	25 yrs (12/31)
<ul style="list-style-type: none"> <li>Complete Construction <ul style="list-style-type: none"> <li>- Residential <ul style="list-style-type: none"> <li>CP 12</li> <li>CP 13</li> </ul> </li> <li>- Retail <ul style="list-style-type: none"> <li>CP 2</li> <li>CP 14</li> </ul> </li> </ul> </li> </ul>	19 ½ yrs (6/26) 20 ½ yrs (6/27)  18 ½ yrs (6/25) 18 ½ yrs (6/25)	20 ½ yrs (6/27) 21 ½ yrs (6/28)  20 ½ yrs (6/27) 19 ½ yrs (6/26)	25 yrs (12/31) <sup>4</sup>
<b>Third Demolition and Backbone Infrastructure Phase</b>			
<ul style="list-style-type: none"> <li>Demo &amp; Backbone Conditions Precedent</li> </ul>	10 yrs (12/16)	11 years (12/17)	20 yrs (12/26)
<ul style="list-style-type: none"> <li>Conveyance</li> </ul>	10 yrs (12/16)	13 years (12/19)	25 yrs (12/31)
<ul style="list-style-type: none"> <li>Commence Construction</li> </ul>	12 yrs (12/18) <sup>3</sup>	15 years (12/21) <sup>3</sup>	25 yrs (12/31)
<ul style="list-style-type: none"> <li>Complete Construction</li> </ul>	15 yrs (12/21) <sup>3</sup>	18 years (12/24) <sup>3</sup>	25 yrs (12/31) <sup>4</sup>

<sup>2</sup> Tolling occurs only if Conditions Precedent are not satisfied by applicable outside date and CIC does not elect to reimburse Developer for applicable Stargell Work Costs and UP ROW Acquisition Costs

<sup>3</sup> three one-year market extensions

<sup>4</sup> or five years after commencement of Demolition and Backbone Infrastructure if demolition starts after 12/26

COUNCIL REFERRAL FORM  
(To be submitted to the City Clerk)

Name of Councilmember requesting Referral: Frank Matarrese

Date of submission to City Clerk (must be submitted before 5:00 p.m. on the Monday before the week of the meeting requested): November 18, 2009

Requested Meeting date to consider Council Referral: December 2, 2009

Brief description of the subject to be printed on the agenda, sufficient to inform the City Council and public of the nature of the Council Referral:

This referral requests that the ARRA discuss providing the Interim City Manager/ARRA Director to bring to the ARRA/CIC/Council revised policies for leases at the ARRA and Tide Lands Leases under the City's jurisdiction:

It is requested that the following goals be discussed, for consideration and incorporation into the policies:

- Establish criteria for consideration of long term leases (such as MARAD) to establish a viable constituency that could provide the "market" for future commercial development at Alameda Point
- Work with the Navy for consideration of long term tenants in order to build the commercial market for future commercial development at Alameda Point
- To promote a financially healthy maritime business sector for Alameda's waterfront
- To invest in and protect the physical stability of Alameda's shoreline
- To attract businesses from a number of sectors to reduce the risk of downturn on a single sector base. These sectors should build on current and future opportunities such as:
  - Green businesses (Green Corridor)
  - Environmental clean up
  - Maritime industries and suppliers
  - Specialty foods
  - Wine/Spirit production and support industry
  - Entertainment Production